

30266  
DO

SERVICE DATE - MAY 26, 1999

SURFACE TRANSPORTATION BOARD

NOTICE

STB Ex Parte No. 347 (Sub-No. 2)

RATE GUIDELINES - NON-COAL PROCEEDINGS

Date: May 21, 1999

The Surface Transportation Board established guidelines for handling small maximum rate complaints in Rate Guidelines--Non-Coal Proceedings, Ex Parte No. 347 (Sub-No. 2) (served Dec. 31, 1996). In that decision, the Board provided tables containing "Revenue Shortfall Allocation Method" (RSAM) and "Average Revenue to Variable Cost<sup>>180</sup>" ( $R/VC_{>180}$ ) percentages for Class I railroads. Updated tables reflecting percentages for the period 1994-1997 for individual carriers, as well as regional (Eastern and Western) and National percentages, are attached as Tables I and II.

In a change from prior years, data for individual railroads that have recently merged are combined and restated for pre-merger years to produce composite percentages. The restatement of composite annual percentages allows the computation of a 4-year average for the newly merged carriers. However, the presentation of composite figures here is in no way intended to prejudge what pre-merger figures should be used in individual rate cases or what weight should be accorded to whatever figures are used.

By the Board, Leland L. Gardner, Director, Office of Economics, Environmental Analysis, and Administration.

Vernon A. Williams  
Secretary

**Table I**  
**RSAM Markup Percentages**  
**(Range With & Without Efficiency Adjustment)**

<b>Railroad/ Region</b>	<b>4 - Year Average</b>	<b>1997</b>	<b>1996</b>	<b>1995</b>	<b>1994</b>
<b>BNSF</b>	219 - 295	243 - 324	231 - 309	210 - 284	191 - 262
<b>CR</b>	206 - 233	204 - 226	203 - 230	205 - 234	210 - 241
<b>GTW</b>	275 - 355	219 - 290	260 - 333	316 - 402	304 - 394
<b>IC</b>	137 - 154	183 - 211	144 - 161	90 - 98	131 - 147
<b>KCS</b>	238 - 280	223 - 248	275 - 331	252 - 306	200 - 233
<b>SOO</b>	275 - 352	292 - 412	251 - 322	244 - 295	313 - 380
<b>NS</b>	186 - 210	184 - 203	184 - 206	183 - 211	192 - 221
<b>CSXT</b>	198 - 230	196 - 226	187 - 217	192 - 217	217 - 261
<b>UP</b>	234 - 326	291 - 416	224 - 304	217 - 306	202 - 276
<b>Eastern Region</b>	196 - 225	194 - 219	191 - 218	193 - 221	207 - 243
<b>Western Region</b>	231 - 316	271 - 374	230 - 309	218 - 299	206 - 280
<b>National</b>	212 - 269	227 - 288	208 - 264	205 - 261	207 - 264

-----

**NOTES:**

- Data for GTW were inadvertently omitted from the 1998 notice.
- The inclusion of GTW data and the consolidation of pre-merger data for BNSF and UP slightly affected certain segment costs for interchange traffic, which in turn caused minor restatements of some ratios reported in prior years for other carriers as well.

**Table II**  
**Average Existing Revenue-to-Variable Cost Percentages**  
**For Traffic Above 180% R/VC**

<b>Railroad/ Region</b>	<b>4 - Year Average</b>	<b>1997</b>	<b>1996</b>	<b>1995</b>	<b>1994</b>
<b>BNSF</b>	259	262	262	256	256
<b>CR</b>	224	218	223	229	226
<b>GTW</b>	209	201	205	210	218
<b>IC</b>	296	263	311	316	294
<b>KCS</b>	222	204	242	217	223
<b>SOO</b>	261	256	280	302	207
<b>NS</b>	224	211	228	229	229
<b>CSXT</b>	218	215	216	209	231
<b>UP</b>	247	234	245	256	254
<b>Eastern Region</b>	224	215	224	223	232
<b>Western Region</b>	254	248	253	258	255
<b>National</b>	242	235	244	244	246

-----

**NOTES:**

- Data for GTW were inadvertently omitted from the 1998 notice.
- The inclusion of GTW data and the consolidation of pre-merger data for BNSF and UP slightly affected certain segment costs for interchange traffic, which in turn caused minor restatements of some ratios reported in prior years for other carriers as well.